

## Venture Planning Tools

Venture Plan						
Resources:	Property Costs	Labour Costs	Equipment Costs	Operating Costs	Financing Costs	
					Interest	Principal
Capital						
Human						
Financial						

## Risk Profile of Ideas

Idea #						
Criteria	-3	-2	-1	+1	+2	+3
Feasibility						
Demand						
Usefulness						
Profitability						

### A Profile Comparing the Risks of a Variety of Ideas

Idea #						
Criteria	-3	-2	-1	+1	+2	+3
Feasibility						
Demand						
Usefulness						
Profitability						

Idea #						
Criteria	-3	-2	-1	+1	+2	+3
Feasibility						
Demand						
Usefulness						
Profitability						

## **Business Practices**

<b>Criteria</b>	<b>Scenarios</b>	<b>Significance of the Criteria</b>
<b>Honesty</b>		
<b>Writing skills</b>		
<b>Clarity</b>		
<b>Stereotyping</b>		
<b>Exaggeration</b>		

## **Strategic Planning Sequence**

<b>Criteria</b>	<b>Event</b>	<b>Significance of the Criteria</b>
<b>Mission</b>		
<b>Evaluate strengths and weaknesses</b> <ul style="list-style-type: none"><li>• Resources</li><li>• Expectations</li></ul>		
<b>Forecasting</b>		
<b>Set goals</b> <ul style="list-style-type: none"><li>• Long term</li><li>• Short term</li></ul>		
<b>Operating objectives</b>		
<b>Operating plans</b>		

## **Table of Contents/Checklist**

<b>Components of a Venture Plan</b>	<b>Progress</b>			<b>Notes/Critical Issues</b>
	<b>Planning Stage</b>	<b>Research Stage</b>	<b>Completion Stage</b>	
<b>Executive Summary</b>				
<b>Marketing Plan</b>				
<b>Market Analysis</b>				
<b>Organization of the Venture</b>				
<b>Resource Analysis</b>				
<b>Financial Analysis</b>				
<b>Legal Requirements</b>				
<b>Budget</b>				
<b>Operating Schedule</b>				
<b>Risk Assessment</b>				

## Organization of a Venture Plan

Components of a Venture Plan	Planning the Content of the Venture Plan	Written Presentation Criteria for Evaluation
Summary of the Plan	<p>The purpose of the venture?</p> <p>A brief description of the venture:</p>	<p>Is the venture plan:</p> <ul style="list-style-type: none"> <li>• well written?</li> <li>• clear/understandable?</li> <li>• precise?</li> <li>• appealing?</li> </ul> <p>Is the venture plan formatted so that it is:</p> <ul style="list-style-type: none"> <li>• clear?</li> <li>• understandable?</li> <li>• appealing?</li> </ul>
Table of Contents	A list of the titles and sections in the venture plan:	

## Marketing Considerations

Components of a Venture Plan	Planning the Content of the Venture Plan	Written Presentation
<b>Marketing Plan</b>	<p>What is the service/product?</p> <p>What will be the price?</p> <p>What are the projected sales?</p> <p>How will it be advertised?</p> <p>Who will sell the product/service?</p> <p>How will it benefit the customer?</p> <p>Is the business expected to grow?</p> <p>In what location will the product/ service be marketed?</p>	<p>Explain how the product/service:</p> <ul style="list-style-type: none"> <li>• solves a problem</li> <li>• meets a need</li> <li>• satisfies wants</li> </ul> <p>Explain why people will buy the product/service:</p> <ul style="list-style-type: none"> <li>• Why is there a demand for the product/service?</li> <li>• Can a demand for this product/service be created?</li> </ul> <p>Explain how this product/service will make a contribution in the existing economy:</p> <ul style="list-style-type: none"> <li>• Where is the place (economic niche) in the economy for this product/ service?</li> <li>• Why will people or businesses need this product/service?</li> </ul>
<b>Market Analysis</b>	<p>What are the characteristics of the customers likely to buy this product/service?</p> <p>How many customers?</p> <p>How much will they spend?</p> <p>Is this a repeating or a one time sale?</p> <p>Are there many competing products/ services in this market?</p> <p>What access to the market could be expected in the short to medium run?</p> <p>To what size can this market be expected to grow?</p>	<p>Describe:</p> <p>Customer profiles:</p> <ul style="list-style-type: none"> <li>• Who are the customers?</li> <li>• What are they like?</li> <li>• Size of the market</li> <li>• How many are there?</li> <li>• How much money do they have to spend?</li> <li>• How important is this product/ service to them?</li> </ul> <p>Market share:</p> <ul style="list-style-type: none"> <li>• How much of this market can the planned venture acquire?</li> <li>• How many competitors are there for the same market?</li> <li>• What alternatives are there to this product/service?</li> <li>• Are the alternatives cheaper, more productive, more appealing, etc.?</li> </ul> <p>Growth potential:</p> <ul style="list-style-type: none"> <li>• Is this a new product that would begin a new cycle?</li> <li>• Is this an established product that would be at some stage in an existing cycle?</li> </ul>

## Organization of the Venture

Components of a Venture Plan	Planning the Content of the Venture Plan	Written Presentation
<b>Organization of the Venture</b>	<p>What type of business organization is being planned?</p> <ul style="list-style-type: none"> <li>• Individual ownership</li> <li>• Partnership</li> <li>• Incorporated</li> </ul> <p>How is the business to be managed?</p> <ul style="list-style-type: none"> <li>• Owner-manager</li> <li>• Employed management</li> </ul> <p>What is the relationship to the employees?</p> <ul style="list-style-type: none"> <li>• non-union</li> <li>• unionized</li> <li>• collective agreement</li> </ul>	<p>Who will own the venture?</p> <p>How will the venture be administered?</p> <p>On what basis will relations with employees be conducted?</p>

## Resource Analysis

Components of a Venture Plan	Planning the Content of the Venture Plan	Written Presentation
<b>Resource Analysis</b>	<p>Location (geographic):</p> <ul style="list-style-type: none"> <li>• Land</li> <li>• Facilities</li> <li>• Property</li> <li>• Rent</li> <li>• Warehousing</li> </ul> <p>Labour:</p> <ul style="list-style-type: none"> <li>• Staff</li> </ul> <p>Capital:</p> <ul style="list-style-type: none"> <li>• Equipment</li> <li>• Machinery</li> <li>• Office equipment</li> </ul> <p>Franchising:</p>	<p>Where will the venture be located? What are the advantages of the location chosen? What kind of facility is needed for the successful operation of this venture? Are the facilities to be owned or rented?</p> <p>What are the staff requirements? What expertise is required? What amount of training will be necessary? What plans are in place to deal with staff motivation, morale, etc.?</p> <p>What equipment requirements are needed for this venture? Will the equipment be bought or leased?</p> <p>Is the venture to be part of a franchising system? What are the terms of the franchise?</p>

## Financial Analysis

Components of a Venture Plan	Planning the Content of the Venture Plan	Written Presentation
<b>Financial History</b>	Income Collateral	What is the financial history of the people creating the venture? What is their income? Do they have a net worth that can serve as security for financing and other commitments?
<b>Financial Position</b>	Savings Debt Property Net worth	What is the net worth of the people creating the venture? How much have they personally invested into the venture? What is the nature of that investment?
<b>Financing of the Venture</b>	How is the venture to be financed? Personal investment Bank financing Investment (stocks, bonds)  How are the business finances to be managed? Accounting systems Accounts receivable Cash flow	What are the sources of investment financing for the venture?  Describe the financing arrangements for the venture: Where is the bulk of the financing coming from? What are the terms of that financing? What security has been established for the financing? How are the principal and interest amortised? What are the arrangements for long term financing and short term financing?

## Budget

Components of a Venture Plan	Planning the Content of the Venture Plan	Written Presentation
<b>Budget</b>	<p>Income:</p> <ul style="list-style-type: none"> <li>• Personal savings</li> <li>• Collateral</li> <li>• Financial package</li> </ul> <p>Expenses:</p> <ul style="list-style-type: none"> <li>• Property/Rent costs</li> <li>• Capital costs</li> <li>• Labour costs</li> <li>• Franchising costs</li> </ul> <p>Current balance sheet:</p> <p>Cash flow:</p> <ul style="list-style-type: none"> <li>• Accounts receivable</li> <li>• Expenditures</li> <li>• Payroll</li> <li>• Rent</li> <li>• Utilities</li> <li>• Supplies</li> <li>• Financing</li> <li>• Interest</li> <li>• Principal</li> <li>• Insurance</li> <li>• Legal costs</li> </ul>	<p>Has a budget been prepared that describes:</p> <ul style="list-style-type: none"> <li>• All the sources of income?</li> <li>• All the expenses?</li> <li>• An accurate projected balance sheet?</li> </ul> <p>What is the projected cash flow for the venture based on a careful assessment of:</p> <ul style="list-style-type: none"> <li>• accounts receivable?</li> <li>• all expenditures?</li> </ul>

## Operating Schedule

Components of a Venture Plan	Planning the Content of the Venture Plan	Written Presentation Criteria for Evaluation
<b>Operating Schedule</b>	<p>Goals:</p> <ul style="list-style-type: none"> <li>• long-term objectives</li> <li>• intermediate objectives</li> <li>• immediate objectives</li> </ul> <p>Timelines:</p> <ul style="list-style-type: none"> <li>• major events</li> </ul> <p>Strategies:</p> <ul style="list-style-type: none"> <li>• strategic plan</li> <li>• operations strategy</li> </ul> <p>Evaluation of the operating schedule</p>	<p>A detailed operating schedule should be provided that outlines:</p> <ul style="list-style-type: none"> <li>• the goals (what you plan to do)</li> <li>• timelines (the time it will take to do it)</li> <li>• strategies planned to accomplish the goals within the stated timeline (how the goals will be achieved)</li> <li>• The operating schedule should describe the feasibility of achieving the goals</li> </ul>

## Risk Assessment

Components of a Venture Plan	Planning the Content of the Venture Plan	Written Presentation Criteria for Evaluation
<b>Risk Assessment</b>	<p>Risks:</p> <ul style="list-style-type: none"> <li>• Changes</li> <li>• Government policy</li> <li>• Technology</li> <li>• Competition</li> <li>• Technical problems</li> </ul>	<p>There should be a realistic assessment of the risks and the successes of this venture.</p> <p>On the basis of this risk assessment, is it probable that this venture will succeed?</p>
<b>Legal Requirements</b>	<p>The law:</p> <ul style="list-style-type: none"> <li>• Legal rights</li> <li>• Legal restrictions</li> <li>• Legal requirements</li> <li>• Legal liabilities</li> </ul>	<p>A statement that clearly outlines that the venture:</p> <ul style="list-style-type: none"> <li>• has the rights to produce/market the product/service</li> <li>• meets all the laws and regulations governing this area of commerce</li> <li>• is adequately protected against a variety of legal liabilities.</li> </ul>